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Advance Report on Durable Goods Manufacturers' Shipments, Inventories and Orders February 2007

New Orders

New orders for manufactured durable goods in February increased \$5.0 billion or 2.5 percent to \$206.9 billion, the U.S. Census Bureau announced today. This was the third increase in the last four months and followed a 9.3 percent January decrease. Excluding transportation, new orders decreased 0.1 percent. Excluding defense, new orders increased 2.5 percent.

Transportation equipment, up three of the last four months, had the largest increase, \$5.2 billion or 9.6 percent to \$60.0 billion. This was due to nondefense aircraft and parts, which increased \$6.6 billion.

Shipments

Shipments of manufactured durable goods in February, down two consecutive months, decreased \$1.7 billion or 0.8 percent to \$207.3 billion. This followed a 1.5 percent January decrease.

Computers and electronic products, down two of the last three months, had the largest decrease, \$1.4 billion or 3.7 percent to \$35.1 billion.

Unfilled Orders

Unfilled orders for manufactured durable goods in February, up twenty-one of the last twenty-two months, increased \$6.1 billion or 0.9 percent to \$702.0 billion. This was at the highest level since the series was first stated on a NAICS basis in 1992 and followed a 0.2 percent January increase.

Transportation equipment, up twelve of the last thirteen months, had the largest increase, \$4.9 billion or 1.3 percent to \$384.4 billion.

Inventories

Inventories of manufactured durable goods in February, up twelve consecutive months, increased \$0.5 billion or 0.2 percent to \$298.0 billion. This followed a 0.4 percent January increase.

Machinery, up eleven of the last twelve months, had the largest increase, \$0.4 billion or 0.9 percent to \$48.1 billion.

Capital Goods

Nondefense new orders for capital goods in February increased \$6.1 billion or 9.5 percent to \$70.7 billion. Shipments increased \$0.2 billion or 0.3 percent to \$65.5 billion. Unfilled orders increased \$5.2 billion or 1.4 percent to \$377.8 billion. Inventories increased \$0.4 billion or 0.4 percent to \$116.5 billion.

Defense new orders for capital goods in February increased \$0.3 billion or 3.5 percent to \$8.4 billion. Shipments increased \$0.2 billion or 2.0 percent to \$8.4 billion. Unfilled orders decreased slightly to \$138.6 billion. Inventories decreased 0.1 percent to \$14.2 billion.

Revised January Data

Revised seasonally adjusted January figures for all manufacturing industries were: new orders, \$381.8 billion (revised from \$383.1 billion); shipments, \$388.9 billion (revised from \$391.2 billion); unfilled orders, \$695.9 billion (revised from \$695.2 billion); and total inventories, \$482.9 billion (revised from \$482.0 billion).

Figures in text, other than year-to-date, are in seasonally adjusted current dollars. Figures on new and unfilled orders exclude data for semiconductor manufacturing. For data, call (301) 763-4673 or go to <<http://www.census.gov/m3>>.

Revised and more detailed estimates, plus nondurable goods data, will be published on April 4, 2007, at 10:00 a.m. EDT. The advance report on durable goods for March is scheduled for release on April 25, 2007, at 8:30 a.m. EDT. See back page for survey description.

Table 1. Durable Goods Manufacturers' Shipments and New Orders
[Millions of Dollars]

Item	Seasonally Adjusted						Not Seasonally Adjusted ¹					
	Monthly			Percent Change			Monthly			Year to Date		
	Feb 2007 ²	Jan 2007 ¹	Dec 2006	Jan - Feb ²	Dec- Jan ¹	Nov - Dec	Feb 2007 ²	Jan 2007 ¹	Feb 2006	2007	2006	Percent Change 07/06
<u>DURABLE GOODS</u>												
Total:												
Shipments.....	207,307	209,002	212,276	-0.8	-1.5	1.2	198,053	188,321	199,354	386,374	384,509	0.5
New Orders ⁴	206,948	201,923	222,520	2.5	-9.3	3.5	200,673	192,016	201,226	392,689	387,297	1.4
Excluding transportation:												
Shipments.....	152,195	153,699	153,860	-1.0	-0.1	0.1	142,905	139,963	143,531	282,868	280,309	0.9
New Orders ⁴	146,923	147,135	153,344	-0.1	-4.0	3.2	141,645	138,905	140,680	280,550	278,009	0.9
Excluding defense:												
Shipments.....	197,282	198,943	202,203	-0.8	-1.6	1.2	188,423	180,314	190,775	368,737	368,382	0.1
New Orders ⁴	197,181	192,312	211,506	2.5	-9.1	4.7	191,351	182,029	191,002	373,380	371,647	0.5
Manufacturing with unfilled orders:												
Shipments.....	144,941	144,311	147,432	0.4	-2.1	0.7	138,082	129,689	134,923	267,771	261,556	2.4
New Orders ⁴	151,017	145,658	162,766	3.7	-10.5	2.8	146,964	141,224	144,903	288,188	278,270	3.6
Primary metals:												
Shipments.....	18,558	18,772	18,953	-1.1	-1.0	1.3	18,228	18,820	17,111	37,048	34,436	7.6
New Orders.....	18,429	18,623	18,754	-1.0	-0.7	1.7	18,588	19,322	17,576	37,910	35,809	5.9
Fabricated metal products:												
Shipments.....	24,871	24,923	24,959	-0.2	-0.1	2.3	23,739	23,455	23,185	47,194	45,655	3.4
New Orders.....	24,933	25,519	24,961	-2.3	2.2	2.3	24,469	24,679	23,795	49,148	47,341	3.8
Machinery:												
Shipments.....	26,769	26,172	28,196	2.3	-7.2	1.3	25,275	23,791	24,349	49,066	47,985	2.3
New Orders.....	26,889	26,985	30,280	-0.4	-10.9	7.8	26,614	26,326	25,899	52,940	52,607	0.6
Computers and electronic products:												
Shipments.....	35,084	36,434	33,157	-3.7	9.9	-6.7	32,081	30,884	33,286	62,965	62,449	0.8
New Orders ⁴	29,356	27,585	30,662	6.4	-10.0	2.4	27,267	23,932	26,498	51,199	50,086	2.2
Computers and related products:												
Shipments.....	6,683	6,330	6,397	5.6	-1.0	-2.8	5,759	5,142	5,504	10,901	11,005	-0.9
New Orders.....	6,551	6,253	6,472	4.8	-3.4	-3.4	5,627	5,065	5,456	10,692	10,627	0.6
Communications equipment:												
Shipments.....	5,834	5,443	5,257	7.2	3.5	-10.1	5,106	4,423	5,077	9,529	10,030	-5.0
New Orders.....	5,859	5,294	6,793	10.7	-22.1	15.0	5,703	4,685	5,928	10,388	10,834	-4.1
Semiconductors:												
Shipments.....	6,435	8,426	5,090	-23.6	65.5	-24.4	6,262	7,840	8,108	14,102	13,926	1.3
New Orders ⁴	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)
Electrical equipment, appliances, and components:												
Shipments.....	10,209	10,416	10,134	-2.0	2.8	2.4	9,567	9,287	9,185	18,854	17,999	4.8
New Orders.....	10,527	11,141	10,124	-5.5	10.0	-1.0	10,508	10,580	10,194	21,088	20,155	4.6
Transportation equipment:												
Shipments.....	55,112	55,303	58,416	-0.3	-5.3	4.1	55,148	48,358	55,823	103,506	104,200	-0.7
New Orders.....	60,025	54,788	69,176	9.6	-20.8	4.0	59,028	53,111	60,546	112,139	109,288	2.6
Motor vehicles and parts:												
Shipments.....	37,779	37,176	40,688	1.6	-8.6	6.1	38,590	34,614	39,697	73,204	76,207	-3.9
New Orders.....	37,728	37,229	41,011	1.3	-9.2	6.8	38,739	35,278	40,080	74,017	77,511	-4.5
Nondefense aircraft and parts:												
Shipments.....	8,200	8,777	8,110	-6.6	8.2	-1.5	7,870	6,483	7,894	14,353	12,931	11.0
New Orders.....	13,962	7,410	18,731	88.4	-60.4	31.3	12,483	7,420	10,266	19,903	16,724	19.0
Defense aircraft and parts:												
Shipments.....	3,631	3,705	3,774	-2.0	-1.8	1.0	3,360	2,791	3,207	6,151	5,759	6.8
New Orders.....	3,379	2,616	6,354	29.2	-58.8	16.3	3,109	2,791	3,219	5,900	7,503	-21.4
All other durable goods:												
Shipments.....	36,704	36,982	38,461	-0.8	-3.8	3.0	34,015	33,726	36,415	67,741	71,785	-5.6
New Orders.....	36,789	37,282	38,563	-1.3	-3.3	2.9	34,199	34,066	36,718	68,265	72,011	-5.2
Capital goods:³												
Shipments.....	73,944	73,599	75,252	0.5	-2.2	-0.6	69,325	63,313	67,971	132,638	130,241	1.8
New Orders.....	79,153	72,759	89,945	8.8	-19.1	5.6	74,889	69,625	74,039	144,514	138,593	4.3
Nondefense capital goods:												
Shipments.....	65,518	65,335	67,016	0.3	-2.5	-0.7	61,125	56,585	60,738	117,710	116,547	1.0
New Orders.....	70,737	64,629	81,977	9.5	-21.2	10.8	66,852	61,071	65,507	127,923	126,344	1.2
Excluding aircraft:												
Shipments.....	60,471	59,780	61,850	1.2	-3.3	-0.6	56,275	53,072	55,457	109,347	108,794	0.5
New Orders.....	60,188	60,925	65,802	-1.2	-7.4	4.0	58,181	57,270	59,482	115,451	116,705	-1.1
Defense capital goods:												
Shipments.....	8,426	8,264	8,236	2.0	0.3	0.4	8,200	6,728	7,233	14,928	13,694	9.0
New Orders.....	8,416	8,130	7,968	3.5	2.0	-28.7	8,037	8,554	8,532	16,591	12,249	35.4

NA Not Available ¹ Revised

¹ Shipments and new orders are the totals for the period and are adjusted for trading-day and calendar-month variations; unfilled orders and total inventories are as of the end of the period and are not adjusted for trading-day or calendar-month variations.

² Based on advance sample. Estimates of manufacturers' shipments, inventories, and orders are subject to survey error and revision. One major component of survey error is nonsampling error, which includes errors of coverage, response and nonreporting. Since the survey panel is not a probability sample, estimates of sampling error cannot be calculated. Further details on survey design, methodology, and data limitations are contained in our most recent annual benchmark publication, Current Industrial Reports: M3-3(05), "Manufacturers' Shipments, Inventories, and Orders: 1992-2005."

³ The Capital Goods Industries include Nondefense: small arms and ordnance; farm machinery and equipment; construction machinery; mining, oil, and gas field machinery; industrial machinery; vending laundry, and other machinery; photographic equipment; metalworking machinery; turbines and generators; other power transmission equipment; pumps and compressors; material handling equipment; all other machinery; electronic computers; computer storage devices; other computer peripheral equipment; communications equipment; search and navigation equipment; electromedical, measuring, and control instruments; electrical equipment; other electrical equipment, appliances, and components; heavy duty trucks; aircraft; railroad rolling stock; ships and boats; office and institutional furniture; and medical equipment and supplies.

Defense Capital Goods include: small arms and ordnance, communications equipment, aircraft; missiles, space vehicles, and parts, ships and boats, and search and navigation equipment

⁴ Data on new and unfilled orders are not available for the semiconductor industry. Estimates and percent changes for new orders and unfilled orders exclude semiconductor industry data. Inventories for semiconductor industry data are included in computers and electronic products and total durable goods industries, but are not shown separately.

Table 2. Durable Goods Manufacturers' Unfilled Orders and Total Inventories
[Millions of Dollars]

Item	Seasonally Adjusted						Not Seasonally Adjusted ¹			
	Monthly			Percent Change			Monthly			Percent Change 2007/2006
	Feb 2007 ²	Jan 2007 ^r	Dec 2006	Jan - Feb ²	Dec - Jan ^r	Nov - Dec	Feb 2007 ²	Jan 2007 ^r	Feb 2006	
<u>DURABLE GOODS</u>										
Total:										
Unfilled Orders ⁴	701,999	695,923	694,576	0.9	0.2	2.3	711,772	702,890	589,142	20.8
Total Inventories.....	298,021	297,550	296,406	0.2	0.4	0.6	300,446	296,513	275,861	8.9
Excluding transportation:										
Unfilled Orders ⁴	317,598	316,435	314,573	0.4	0.6	1.5	321,709	316,707	282,914	13.7
Total Inventories.....	228,815	228,570	228,085	0.1	0.2	0.9	230,824	228,194	211,553	9.1
Excluding defense:										
Unfilled Orders ⁴	549,792	543,458	541,663	1.2	0.3	2.7	557,217	548,027	449,074	24.1
Total Inventories.....	279,498	278,877	277,714	0.2	0.4	0.8	281,893	278,046	256,962	9.7
Manufacturing with unfilled orders:										
Unfilled Orders ⁴	701,999	695,923	694,576	0.9	0.2	2.3	711,772	702,890	589,142	20.8
Total Inventories.....	233,141	232,743	231,171	0.2	0.7	0.6	234,949	232,171	214,541	9.5
Primary metals:										
Unfilled Orders.....	25,830	25,959	26,108	-0.5	-0.6	-0.8	26,667	26,307	26,647	0.1
Total Inventories.....	29,827	29,844	29,987	-0.1	-0.5	0.1	30,005	30,093	26,179	14.6
Fabricated metal products:										
Unfilled Orders.....	54,250	54,188	53,592	0.1	1.1	0.0	53,837	53,107	48,791	10.3
Total Inventories.....	38,448	38,450	38,355	0.0	0.2	1.0	38,944	38,403	35,314	10.3
Machinery:										
Unfilled Orders.....	78,792	78,672	77,859	0.2	1.0	2.8	80,649	79,310	66,327	21.6
Total Inventories.....	48,119	47,711	47,457	0.9	0.5	2.1	48,833	47,641	44,442	9.9
Computers and electronic products:										
Unfilled Orders ⁴	122,335	121,628	122,051	0.6	-0.3	2.2	123,852	122,404	109,138	13.5
Total Inventories.....	46,644	46,828	46,660	-0.4	0.4	1.0	46,683	46,559	42,605	9.6
Computers and related products:										
Unfilled Orders.....	4,255	4,387	4,464	-3.0	-1.7	1.7	4,255	4,387	4,324	-1.6
Total Inventories.....	4,448	4,449	4,463	0.0	-0.3	1.7	4,446	4,323	4,149	7.2
Communications equipment:										
Unfilled Orders.....	37,212	37,187	37,336	0.1	-0.4	4.3	37,597	37,000	33,816	11.2
Total Inventories.....	10,019	10,165	9,977	-1.4	1.9	-1.0	10,191	10,319	10,453	-2.5
Semiconductors:										
Unfilled Orders ⁴	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)
Total Inventories ⁴	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)
Electrical equipment, appliances, and components:										
Unfilled Orders.....	23,695	23,377	22,652	1.4	3.2	0.0	24,253	23,312	19,990	21.3
Total Inventories.....	14,354	14,374	14,463	-0.1	-0.6	1.9	14,612	14,419	13,369	9.3
Transportation equipment:										
Unfilled Orders.....	384,401	379,488	380,003	1.3	-0.1	2.9	390,063	386,183	306,228	27.4
Total Inventories.....	69,206	68,980	68,321	0.3	1.0	-0.5	69,622	68,319	64,308	8.3
Motor vehicles and parts:										
Unfilled Orders.....	19,917	19,968	19,915	-0.3	0.3	1.6	20,831	20,682	18,396	13.2
Total Inventories.....	24,528	24,543	24,362	-0.1	0.7	-0.8	24,676	24,427	23,544	4.8
Nondefense Aircraft and parts:										
Unfilled Orders.....	236,664	230,902	232,269	2.5	-0.6	4.8	239,616	235,003	171,227	39.9
Total Inventories.....	25,674	25,396	25,050	1.1	1.4	2.9	25,863	25,049	21,974	17.7
Defense Aircraft and parts:										
Unfilled Orders.....	46,652	46,904	47,993	-0.5	-2.3	5.7	47,169	47,420	47,252	-0.2
Total Inventories.....	11,588	11,650	11,682	-0.5	-0.3	-3.2	11,585	11,460	11,463	1.1
All other durable goods:										
Unfilled Orders.....	12,696	12,611	12,311	0.7	2.4	0.8	12,451	12,267	12,021	3.6
Total Inventories.....	51,423	51,363	51,163	0.1	0.4	-0.1	51,747	51,079	49,644	4.2
Capital goods: ³										
Unfilled Orders.....	516,474	511,265	512,105	1.0	-0.2	3.0	523,843	518,279	423,047	23.8
Total Inventories.....	130,730	130,313	130,201	0.3	0.1	1.5	131,849	129,690	122,247	7.9
Nondefense capital goods:										
Unfilled Orders.....	377,828	372,609	373,315	1.4	-0.2	4.2	383,132	377,405	296,711	29.1
Total Inventories.....	116,481	116,056	116,108	0.4	0.0	1.8	117,567	115,449	107,954	8.9
Excluding aircraft:										
Unfilled Orders.....	169,212	169,495	168,350	-0.2	0.7	2.4	171,773	169,867	147,117	16.8
Total Inventories.....	97,578	97,398	96,910	0.2	0.5	1.4	98,461	97,042	91,085	8.1
Defense capital goods:										
Unfilled Orders.....	138,646	138,656	138,790	0.0	-0.1	-0.2	140,711	140,874	126,336	11.4
Total Inventories.....	14,249	14,257	14,093	-0.1	1.2	-0.9	14,282	14,241	14,293	-0.1

See footnotes at end of Table 1

Survey Description

This report is compiled from results of the U.S. Census Bureau's Manufacturers' Shipments, Inventories, and Orders (M3) survey. This survey provides statistics on manufacturers' value of shipments, new orders (net of cancellations), end-of-month order backlog (unfilled orders), end-of-month total inventory (at current cost or market value), and inventories by stage of fabrication (materials and supplies, work-in-process, and finished goods). The M3 includes approximately 4,200 reporting units. Units may be divisions of diversified large companies, large homogenous companies, or single-unit manufacturers in 89 industry categories. Due to the small monthly sample, these 89 categories have been combined into 59 publication levels. The survey methodology assumes that the month-to-month changes of the total operations of those companies in the monthly survey effectively represent the month-to-month movements of all establishments that make up the category. The current coverage levels in the survey show that reported data in the monthly survey represent approximately 62 percent of the shipments estimates at the total manufacturing level. Data published represent manufacturing in a calendar month. The data collection is based on a voluntary survey authorized by Title 13 of the United States Code.

The data presented in this release are based on data obtained from a panel of 4,200 reporting units and provide an indication of the activity within the manufacturing sector. The results differ from what would be obtained from a complete enumeration of all manufacturing companies. In addition, a different panel of 4,200 companies would yield different results. The M3 panel is comprised of companies with \$500 million or more in shipments and a limited number of smaller companies. From a statistical perspective, the panel is not a probability sample; therefore, the sampling errors that are normally provided with sample surveys cannot be measured. Nonsampling errors are attributable to many sources. The use of company or divisional reports to estimate the monthly change for establishments is one source of nonsampling error. The use of primarily large companies to represent the month-to-month movement of all companies is another potential source. Any corrections will be published in the full report. Corrections received after the full report will be released in the next month's advance report. Any revisions made later than two months will be reflected in the annual benchmark publication.

Additional survey documentation can be found on our web site: <http://www.census.gov/m3>.